

Certification of grants and claims

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Wards affected: All

PROPOSED DECISION

That the Certification of Claims and Returns Annual Report 2016-17 be noted.

Corporate Implications

1. The audit fee for this work has been budgeted for within the cost of corporate management in 2017/18

Executive Summary

2. The Annual Report covering the work of the External Audit team in assessing the Council's various statutory grant claims is attached at Appendix 1.
3. Context is given to the work of the benefit section, and outlines plans in place to maximise future subsidy payments
4. There are no recommendations for action in the report.

Sustainable Community Strategy/Council Priorities – Implications

5. None

Background and Issues

6. The outcome from the 2016/17 audit shows improvement from last year. The value of errors found was £1,387 (0.003% total expenditure) out of the total subsidy claim for £46m.
7. A Threshold is set by DWP which, if exceeded means the amount of subsidy is reduced. The threshold takes two factors into account:
 - (a) Admin delay which occurs when a LA does not process claims as quickly as DWP would like. This which represents approximately 54% of the overall total for WDC in 2016/17; and
 - (b) LA error is where the Council incorrectly overpays benefit, for example where income on a claim is input incorrectly.
8. Although in overall terms the value of the errors is exceedingly small, audit certification guidelines require auditors to "extrapolate" the value of the errors. The extrapolation process increases the likelihood that the maximum subsidy amount is not achieved. In this latest audit this £1,387 (0.003% total claim) resulted in an extrapolated value of £56,174. This year the extrapolated value has tipped Wycombe over the DWP threshold of £241,297. The DWP will determine the precise amount of the reduction but this is expected to be around £254,000 against the overall grant claim of £46m. Reductions in subsidy are

offset against past years surpluses through an appropriation fund specifically set up for this eventuality. This fund is currently in surplus (£1.3m). An element of the shortfall will also be recovered over time through the usual recovery processes that are in place for housing benefit overpayments.

9. There may be a possibility that further checking on the calculations of a sample of the data for 2016/17 could reduce the LA error figure below the threshold. An assessment of the cost effectiveness and likelihood of success is currently in progress.
10. Despite the fact that maximum subsidy has not been achieved in administrative terms the small number of errors found in this audit underlines the actions taken to date to minimise the risk of administrative errors. The Checking officer is identifying and correcting errors at an early stage and in so doing minimises the risk of costly extrapolations. Appropriate actions are taken to prevent further errors. The DWP Performance and Development Team (PDT) were also invited in during 2017 for an independent review of processes in place. The PDT were confident with the processes in place and made no recommendations for procedural change
11. There are risks in future years. These include lack of processing resources (in the current year even external providers have been unable to provide resources on demand) & IT issues that prevent processing – both of which have had an impact during 2017/18. IT issues are being addressed corporately. Resilience is a national issue with the backdrop of reductions in funding and increased workloads. With this in mind opportunities for a LA partnership are currently being explored as this may deliver the wider resource pool needed.

12. Summary of risk for future subsidy claims:

Issue	Risk	Details/Actions	Timescale
1. Availability of resources to minimise Admin delay	H	Mixed economy comprising: External support from LGSS (3 FTE) Extra market support for peaks to be extended Upskilling revenues staff Review wider partnership working	In place In place January 2018 October 2018 July 2018
2. LA errors	M	Checking officer to identify & minimise errors Follow up actions as required	In place In place
3. IT systems	M	Prompt reporting of issues Corporate management of IT support	In place In place
4. DWP changes to Housing Benefit	H	Resource availability essential to manages changes & implement and test software	Linked to 1. above
5. Universal credit live rollout (Sept '18)	H	This will increase workloads and adversely affect WDC's council tax reduction (CTR) scheme. Consider review & simplification of Council Tax Reduction scheme 1/4/19	Linked to 1 above November 2018

Background Papers

13. Grant claims are held within Financial Services.